1944 K File No. L. Mines/44

Legal - DEPARTMENT

E - BRANCH

Subject:—

P 33E

Mining Leases Scrutiny of — —

File No. L. Mines/44

Std. Scott. Slip 24-B

397-E

Letter. 12/6

To

The Remembrancer of Legal Affairs,
Secretariat, Bombay.

No.79/24. Karwar, 5th June 1944.

Subject :- Mining lease ... Messrs.Oakley Bowden & Co., ... grant of ... to, in Kalche village in Yellapur taluka.

Reference : Government R.D.letter No.9575-G/38, dated 20th March 1939 on the above subject.

A copy of the mining lease together with a copy of the plan is enclosed herewith.

Collector of Kanara.

12. JUN. 1944

733 12/6

Attached for information
file in L Mines/44
MGP
13/6.
Sols 13/6.

(K)

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1)	R.I. No 733 12/6/44	Mining lease ... M/s. Chidley Bowden & Co. grant of ... to ... Kaleha village in Tellapur Taluka.	1-35

Original executed on a general stamp paper of Rs. 22-8-0 (twenty two and annas eight) only

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MINING LEASE

This Indenture made at Karwar this 29th day of January One thousand nine hundred and forty two between the Governor of Bombay (hereinafter referred to as "the Government") of the one part and MESSRS. OAKLEY, BOWDEN AND Co. (Madras) Limited incorporated in India and having its registered office at Madras (hereinafter referred to as the Lessee) which expression shall where the context so admits be deemed to include its permitted assigns of the other part.

WITNESSETH that in consideration of the rents and royalties, covenants and agreements by and in these presents and the schedule hereunder written reserved and contained and on the part of the Lessee to be paid observed and performed, the Government hereby grants and demises unto the Lessee ALL THOSE the mines beds veins and seams of manganese ore (hereinafter and in the said schedule referred to as "the said minerals") situate lying and being in or under the lands which are referred to in Part I of the said schedule TOGETHER with the liberties, powers and privileges to be exercised or enjoyed in connection therewith which are mentioned in Part II of the said schedule SUBJECT to the restrictions and conditions as to the exercise and enjoyment of such liberties powers and privileges which are mentioned in Part III of the said schedule EXCEPT and reserving out of this demise unto the Government the liberties powers and privileges mentioned in Part IV of the said schedule TO HOLD the premises hereby granted and demised unto the Lessee from the 29th day of January 1942 for the term of ten years thence next ensuing YIELDING AND PAYING thereof unto the Government the several rents and royalties mentioned in Part V of the said schedule at the respective times therein specified SUBJECT to the provisions contained in Part VI of the [redacted]chedule AND the Lessee

hereby covenants with the Government as in Part VII of the said schedule is expressed AND THE Government hereby covenants with the Lessee as in Part VIII of the said schedule is expressed AND it is hereby mutually agreed between the parties hereto as in Part IX of the said schedule is expressed.

IN WITNESS WHEREOF these presents have been executed in manner hereunder appearing the day and year first above written.

THE SCHEDULE ABOVE REFERRED TO.

PART I—THE AREA OF THIS LEASE.

Description of area.

All that tract of land situate at Kalche and Mavinmane villages in Yellapur taluka in the Registration District of Kanara bearing survey numbers 27 (part), 34 (part), 241 (part) and 104 of Kalche and 16 (part) of Mavinmane containing an area of 493·5 acres or thereabouts delineated on the plan hereto annexed and thereon coloured red and bounded as follows :—

On the north by J. S. No. 34; S. No. 32; J. S. No. 241; S. No. 103 and S. No. 115.

On the south by J. S. No. 27 of Kalche village, and J. S. No. 16; S. No. 16B6 and S. No. 16B8 of Mavinmane.

On the east by J. S. No. 27; S. No. 27B1; S. No. 27B3.

And on the west by S. No. 114; S. No. 106; J. S. No. 241; S. No. 84; S. No. 82; S. No. 85; J. S. No. 34; S. No. 37; J. S. No. 39; S. No. 93 and S. No. 94 of Mavinmane village.

PART II—LIBERTIES POWERS AND PRIVILEGES TO BE EXERCISED OR ENJOYED BY THE LESSEE SUBJECT TO THE RESTRICTIONS AND CONDITIONS IN PART III.

Liberty to work mines.

1. Liberty and power to enter upon the lands referred to in Part I (hereinafter referred to as the said lands) and to search for win work get raise and carry away the said minerals.

2. Liberty and power for or in connection with any of the purposes mentioned in this part to sink drive make maintain and use in the said lands any pits shafts inclines drifts levels waterways airways and other works and to use maintain deepen or extend any existing works of the like nature in the said lands.

Liberty to sink pits, etc., and use existing pits, etc.

3. Liberty and power for or in connection with any of the purposes mentioned in this part to erect construct maintain and use on or under the said lands any engines machinery plant dressing floors furnaces brick-kilns lime-kilns workshops storehouses bungalows godowns sheds and other buildings and other works and conveniences and to use and maintain any existing works and conveniences of the like nature on or under the said lands.

Liberty to make works and use existing works.

4. Liberty and power for or in connection with any of the purposes mentioned in this part to make any tramways railways roads and other ways in or over the said lands and to use maintain and go and repass with or without horses cattle wagons or locomotives over the same or any existing tramways railways roads and other ways in or over the said lands.

Liberty to make roads and ways and use existing roads and ways.

5. Liberty and power for or in connection with any of the purposes mentioned in this part to quarry and get stone and gravel and other building and road materials and clay and to use and employ the same and to manufacture such clay into bricks or tiles and to use such bricks or tiles but not to sell any such materials bricks or tiles.

Liberty to get building and road materials, make bricks, etc.

6. Liberty and power for or in connection with any of the purposes mentioned in this part to appropriate and use any streams water-courses springs or water in or upon the said lands and to divert stop up or dam any such stream or water-course and collect or impound any water and to make construct and maintain any water-courses culverts drains and reservoirs but not so as to deprive any cultivated lands villages buildings

Liberty to use water.

or watering places for live-stock of a reasonable supply of water as before accustomed nor in any way to foul or pollute any streams or springs.

Liberty to use land for stacking.

7. Liberty and power to enter upon and use a sufficient part of the surface of the said lands adjacent to any pits or works for the purpose of stacking heaping or depositing thereon any produce of the mines or works carried on and any earth materials and substances dug or raised under the liberties and powers mentioned in this part.

Liberty to take timber from reserved forest.

8. Liberty and power for or in connection with any of the purposes mentioned in this part to fell cut and use any timber or trees now standing or which hereafter may be standing upon the reserved forest land included within the said lands provided that not more than twenty acres of such reserved forest land shall be cleared in any one year nor the same place oftener than once in every year and not more than one thousand trees shall be felled in any one year and provided also that the exercise of the liberty and power expressed in this clause shall be subject to the observance of the terms and conditions following that is to say—

PART III—Restrictions and Conditions as to the exercise of the Liberties Powers and Privileges in Part II.

No building, etc, upon certain places.

1. No building or thing shall be erected set up or placed and no surface operations shall be carried on in or upon any public pleasure ground burning or burying ground or place held sacred by any class of persons or any house or village site public road or other place which the Government may determine on public grounds to bring within this restriction nor in such a manner as to injure or prejudicially affect any buildings works property or rights of other persons and no land shall be used for surface operations which is already occupied by persons other than the Government for works or purposes not included in this lease if any other land not so occupied is suitable and available for such surface operations.

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2. Before using for surface operations any land which has not already been used for such operations the lessee shall give to the Divisional Forest Officer, W. D., Kanara (hereinafter called the Divisional Forest Officer) for the time being, as the agent in that behalf of the Government two calendar months' previous notice in writing specifying the name or other designation the situation and the quantity of the land proposed to be so used and the purpose for which the same is required and such land shall not be so used if the said agent shall within two calendar months after the receipt by him of such notice state some objection to such use unless the objection or objections so stated shall on reference to the Government be annulled or waived by such Government.

No surface operations upon land not already used therefor unless after notice and unless no objection thereto.

3. Save as provided in clause 8 of part II of this schedule the lessee shall not without the express sanction of the Collector cut down or injure any timber or trees on the said lands but may without such sanction clear away any brushwood or undergrowth with interferes with any operations authorised by these presents.

Except as provided in part II, no timber to be cut without sanction of Collector.

Notwithstanding anything in this schedule contained the lessee shall not enter upon any reserved forest included in the said lands without thirty days' previous notice in writing to the Divisional Forest Officer nor without obtaining the sanction in writing of that officer nor otherwise than in accordance with such conditions as that officer may in his absolute discretion prescribe.

No reserved forest to be entered upon without sanction of Divisional Forest Officer.

4. No mining operations or works shall be carried on or permitted to be carried on by the lessee in or under the said lands at or to any point within a distance of 50 yards from any railway reservoir canal or other public works or any building or inhabited site shewn on the plan hereto annexed except with the previous permission in writing of the Government or otherwise than in accordance with such instructions restrictions and conditions either general or special which may be attached to such permission. The said distance of 50 yards shall be measured in the case

No workings within 50 yards of public works etc. except with previous permission.

of a railway reservoir or canal horizontally from the outer toe of the bank or the outer edge of the cutting as the case may be and in the case of a building horizontally from the plinth thereof.

For the purpose of this clause the expression "railway" shall have the same meaning as it is defined to have in the Indian Railways Act, 1890, by section 3 (4) of that Act.

PART IV—Liberties Powers and Privileges reserved to the Government.

Liberty to work other minerals.

1. Liberty and power for the Government or any lessee or person authorized by it or him in that behalf to enter into and upon the said lands and to search for win work dig get raise and carry away any minerals other than the said minerals and any other substances and for those purposes to sink drive make erect construct maintain and use such pits shafts inclines drifts levels waterways airways water-courses drains reservoirs engines machinery plant building canals tramways railways roads ways and other works and conveniences as may be deemed necessary or convenient PROVIDED that in the exercise of such liberty and power no hindrance or interference shall be caused to or with the liberties powers and privileges of the lessee under these presents and that fair compensation shall be made to the lessee for all loss or damage sustained by the lessee by reason or in consequence of the exercise of such liberty and power.

Liberty to make railways tramways and roads.

2. Liberty and power for the Government and any lessee or person authorised by it in that behalf to enter into and upon the said lands and to make upon over or through the same any railways tramways or roads for any other than the purposes aforesaid and to get from the said lands stone gravel earth and other materials for making maintaining and repairing such railways, tramways and roads or any existing railways tramways and roads and to go and repass at all times over or along any such railways tramways or roads for all purposes and as occasion may require.

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PART V—RENTS AND ROYALTIES RESERVED BY THIS LEASE.

1. The lessee shall as from the 29th day of January 1941 during the subsistence of this lease pay to the Government the certain half-yearly rent of Rs. 246-12-0 on the first day of July and the first day of January in each year the first payment thereof to be made on the first day of July 1942 in respect of which rent the lessee may in the half year in respect of which the same is payable sell and carry away such aggregate quantity of the said minerals as at the rates in the next succeeding clause mentioned would produce royalties for that half-year equal in amount to the said half-yearly rent but the said half-yearly rent shall be paid whether such quantity shall be sold and carried away or not. Fixed half-yearly rent.

2. The lessee shall during the subsistence of this lease pay to the Government on the first day of July and the first day of January in each year, royalty at the rate of 5 per cent. of the pit's mouth value of first grade ore, that is, having manganese contents of 48 per cent. and over and at the rate of 2½ per cent. of the pit's mouth value of second grade ore, that is, having manganese contents from 42 to 47 per cent. produced from the said lands which shall be sold upon the said lands or carried away by the lessee during the half-year preceding the said dates respectively in excess of the quantity which the lessee is authorised under the last preceding clause hereof to sell and carry away in that half-year in respect of the said certain half-yearly rent mentioned in the last preceding clause hereof. Royalty.

3. The lessee shall in addition to the said certain half-yearly rent mentioned in clause 1 above also pay to the Government in respect of all parts of the surface of the said lands which shall from time to time be occupied or used by the lessee under the authority of these presents rent at the rate of rupee one per annum per acre of the area so occupied or used and so in proportion for any area less than an acre during the period Surface rent.

from the commencement of such occupation or use until the area shall cease to be so occupied or used and shall be restored to its original condition which rent shall be computed and shall be paid on each of the half-yearly dates hereinbefore appointed for payment of the said certain half-yearly rent PROVIDED that no such rent shall be payable in respect of the occupation or use of the area comprised in any roads or ways existing on the said lands at the commencement of the term of his lease.

PART VI—PROVISIONS RELATING TO THE RENTS AND ROYALTIES.

Place of payment.

1. The rents and royalties mentioned in Part V of this schedule shall be paid free from any deductions to the Divisional Forest Officer at his office at Karwar or to such other officer and at such other place as the Divisional Forest Officer shall from time to time appoint.

PROVIDED ALWAYS and it is hereby agreed that Rs. 500 (five hundred) the balance standing to the credit of the lessee on account of the deposit made by him on applying for this lease shall be retained and accepted by the Government in satisfaction of the rents and royalties mentioned in part V until they reach that amount.

Average clause.

2. If in any half-year after the first 12 months of the said term the lessee shall not sell and carry away such aggregate quantity of the said minerals as at the rates mentioned in clause 2 of part V of this schedule would produce royalties for that half-year equal in amount to the said certain half-yearly rent then and in such case the lessee shall not in the next succeeding half-year pay any rent or royalty (other than the said certain half-yearly rent) in respect of the quantity of the said minerals sold or carried away in that half year which is equivalent to the deficiency in the said minerals sold or carried away in the preceding half-year which shall at the rate of royalty payable during the succeeding half-year be required to produce royalty for the preceding half-year equal in amount to the said certain half-yearly rent.

For the purpose of computing the said royalty the sale value of the manganese ore shall be ascertained in accordance with the orders of the Government issued from time to time.

Part VII—The Covenants of the Lessee.

To pay rents royalties rates and taxes.

1. The Lessee shall pay the rents and royalty reserved by this lease at the times and in the manner provided in Parts V and VI and shall also pay and discharge all taxes rates assessments and impositions whatsoever being in the nature of public demands which shall from time to time be charged assessed or imposed upon or in respect of the mines or works of the Lessee or any part thereof by authority of the Government of India or the Government of Bombay or otherwise except demands for land revenue and shall also pay interest at the rate of twelve (12) per cent. per annum, on all arrears of such rents or royalty from the date whereon the same ought to be paid under these presents.

To erect boundary marks.

2. The Lessee shall at the Lessee's own expense forthwith erect and at all times maintain and keep in repair boundary marks and pillars along the boundaries of the said lands according to the demarcation shown in the plan hereto annexed and shall also in cases where in the opinion of the Government there is danger of mining operations extending beyond the boundary of the said lands keep the boundary line between the said marks and pillars sufficiently clear of shrubs and other obstructions to allow of easy identification of such boundary.

To start operations within a year and to work continuously.

3. Unless good cause exists for exemption from this present covenant (a question on which the decision of the Government shall be final) the Lessee shall, within one year from the date of this lease, start mining operations in the said lands to the satisfaction of the Government and shall unless exempted as aforesaid thereafter at all times during the continuance of this lease search for win work and develop the said minerals without voluntary intermission in a skilful and workmanlike manner and upon the most approved principle without doing or permitting

to be done any unnecessary or avoidable damage to the surface of the said lands or the crops buildings structures or other property thereon and shall not cultivate or use the said lands in any manner other than as authorised by these presents.

To secure pits and shafts.

4. The Lessee shall during the said term well and sufficiently secure and keep open with timber or other durable means all pits shafts and workings that may be made or used in the said lands and make and maintain sufficient fences round every such pit or shaft and also shall at all times during the said term keep all workings in the said lands except such as may be abandoned free from water and from foul air as far as possible.

To strengthen and support mines.

5. The Lessee shall on notice from the Government strengthen and support to its satisfaction any part or parts of the mine when in the opinion of Government such strengthening and support is needed for the safety of any railway reservoir canal or other public work or any building whether the said railway reservoir canal or other public work or other building shall be existing during the working of such part or parts of the mine already existing or shall be constructed after the said part or parts of the mine have been worked out. Such strengthening and support shall be made and done at the expense of the Lessee if they are needed for the safety of any railway reservoir canal or other public work or other buildings as aforesaid already existing at the time of the working of the said part or parts of the mine by reason of the Lessee having conducted mining operations within the limits prohibited by clause 4 of Part III of this Schedule and in other cases at the expense of the Government.

To allow inspection of working.

6. The agents servants and workmen authorised by the Government in this behalf shall be at liberty at all reasonable times during the said term to inspect and examine all mines and works carried on by the Lessee in or under the said lands and make surveys or plans thereof and the Lessee shall with proper persons employed by the Lessee and acquainted with

the mines and works effectually assist such agents servants and workmen in conducting every such inspection and shall afford them all information connected with the working of the mines which they may reasonably require and also shall and will conform to and observe all orders and regulations which the Government as the result of such inspection or otherwise may from time to time see fit to impose in the interests of public health and safety.

To report accidents.

7. The Lessee shall without delay send to the Collector a report of any accident which may at any time occur at or in the said lands or any pit shaft or working therein.

To report discovery of other minerals.

8. Whenever the Lessee shall find in the said lands any mineral or product other than the said minerals the Lessee shall immediately report such discovery in writing to the Collector with full particulars of the nature and position of each find.

To keep books of accounts and furnish abstracts etc.

9. The Lessee shall at all times during the said term keep or cause to be kept at an office to be situate upon or near the said lands correct and intelligible books of accounts upon such plan or principle and in such form as may be approved of by the Government which books shall contain accurate entries shewing from time to time (1) the quantity of the said minerals realised from the said lands, (2) the quantity of the said minerals sold and exported respectively, (3) the quantity of the said minerals otherwise disposed of and the manner and purpose of such disposition, (4) the prices and other particulars of all sales of the said minerals, (5) the number of persons employed in the mines or works in or upon the said lands and (6) all such other facts particulars and circumstances as the Government may consider necessary for conveniently ascertaining the amount of the royalty from time to time payable under these presents and the Lessee shall also furnish free of charge to such officer and at such times as the Government may appoint true and correct abstracts of all or any of such books of accounts and such information and returns as

to all or any of the matters aforesaid as the Government may prescribe and shall at all reasonable times allow such officers as the Government shall in that behalf appoint to enter into and have free access to the said office for the purpose of examining and inspecting the said books of accounts and to take copies thereof and make extracts therefrom.

To keep plans of workings.

10. The Lessee shall at all times during the said term cause to be made and kept at the said office correct and intelligible plans and sections of the mines in the said lands which plans and sections shall show as well the operations and workings carried on as also all views faults and other disturbances observed and encountered in such operations and workings and all such plans and sections shall be amended and filled up by and from actual surveys to be made for that purpose at the end of every period of twelve months and the Lessee shall furnish free of charge to the Government true and correct copies of such plans and sections whenever thereunto required.

To provide weighing machines.

11. The Lessee shall provide and at all times keep at or near the pit-head or each of the pit-heads at which the said minerals shall be brought to bank a properly constructed and efficient weighing machine and shall weigh or cause to be weighed thereon all the said minerals from time to time brought to bank sold exported and shall at the close of each day cause the total weights ascertained by such means of the said minerals raised sold exported during the previous twenty-four hours to be entered in the aforesaid books of accounts and will permit the Government at all times during the said term to employ any person or persons to be present at the weighing of the said minerals as aforesaid and to keep accounts thereof and to check the accounts kept by the Lessee.

To allow test of weighing machine.

12. The Lessee shall allow any person or persons appointed in that behalf by the Government at any time or times during the said term to examine and test every weighing machine to be provided and kept as aforesaid and the weights used therewith in order to ascertain whether the same respectively are correct and in good repair and order and if upon

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any such examination or testing any such weighing machine or weights shall be found incorrect or out of repair or order the Government may require that the same be adjusted repaired and put in order by and at the expense of the lessee and if such requisition be not complied with within fourteen days after the same shall have been made the Government may cause such weighing machine or weights to be adjusted repaired and put in order and the expense of so doing shall be paid by the lessee to the Government on demand and if upon any such examination or testing as aforesaid any error shall be discovered in any weighing machine or weights to the prejudice of the Government such error shall be regarded as having existed for three calendar months previous to the discovery thereof or from the last occasion of so examining and testing the same weighing machine and weights in case such occasion shall be within such period of three months and the said rent and royalty shall be paid and accounted for accordingly.

To pay compensation for injury to third parties.

13. The lessee shall make and pay reasonable satisfaction and compensation for all damage or injury to person or property which may be done by or on the part of the lessee in exercise of the liberties and powers granted by these presents and shall at all times save harmless and keep indemnified the Government from and against all suits claims and demands which may be brought or made by any person or persons in respect of any such damage or injury.

Not to obstruct working of other minerals.

14. The lessee will exercise the liberties and powers hereby granted in such a manner as to offer no unnecessary or reasonably avoidable obstruction or interruption to the development and working of any minerals not included in this lease and will at all times afford to the Government and to the holders of prospecting licenses or mining leases in respect of any such minerals or any minerals within any lands adjacent to the said lands reasonable means of access and safe and convenient passage upon and across the said lands to such minerals for the purpose of getting working developing and carrying away the same.

Restrictions on assignment or transfer.

15. The lessee shall not assign this lease or transfer any interest hereunder without the previous written sanction of the Government. Nor shall the lessee allow this lease or any interest hereunder to be attached or sold in compliance with any decree or order by a court or revenue officer.

PROVIDED that in case of any such assignment or transfer as aforesaid (authorised or sanctioned by or under this provision) the instrument thereof shall within three calendar months from the date of its completion be produced to the Collector and the sum of Rs. 50 paid to the Collector as the fee for registration thereof in his office.

Not to be financed or controlled by a Trust Syndicate Corporation firm or person.

16. The lessee shall not enter into or make any arrangement compact or understanding whereby the lessee will or may be directly or indirectly financed by or under which the lessee's operations or undertakings will or may be carried on directly or indirectly by or for the benefit of or subject to the control of any Trust Syndicate Corporation firm or persons unless with the written sanction given prior to such arrangement compact or understanding being entered into or made of the Government and any or every such arrangement compact or understanding as aforesaid (entered into or made with such sanction as aforesaid) shall only be entered into or made and shall always be subject to an express condition binding upon the other party or parties thereto that in the event of the existence of a state of war or grave national emergency (of which existence the Government shall be the sole judge and a notification to this effect in the Official Gazette shall be conclusive proof) it shall be terminable at any time if so required in writing by the Government and shall in the event of any such requisition being made be forthwith thereafter determined by the lessee accordingly.

To deliver up mines, etc., in good order.

17. The lessee will at the expiration or sooner determination of the said term deliver up to the Government all mines, pits, shafts, inclines drifts, levels, waterways, airways and other works (now existing) or hereafter to be sunk or made under the said lands (except such as may have been abandoned with the sanction of the Government or in an ordinary

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and fair course of working) and all (engines, machinery, plant, buildings, structures and other works and conveniences which at the commencement of the said term were upon or under the said lands and all) engines machinery, plant and fixtures set up by the lessee below ground level which cannot be removed without causing injury to any mines or works under the said lands (except such of the same as may with the sanction of the Government have become disused) and all buildings and structures of brick or stone erected by the lessee above ground level in good repair order and condition and fit in all respects for further working of the said minerals.

18. (*a*) The lessee shall at all times during the said term remain or be a British Company or a British incorporated body established in British India or the United Kingdom or some other part of His Majesty's dominions and of which at all times during the said term the Chairman or President or other person occupying that or any similar position (if any) and the Managing Directior (if any) and a majority of other directors (if any), shall be British subject or British subjects and the Managing Agents shall be an unincorporated body of which every member is a British subject or a company in every respect answering the description and satisfying the conditions last hereinbefore contained and laid down as those to which the body itself must as the lessee conform. 'To remain British in constitution.

(*b*) The Local General Manager and not less than seventy-five per cent. of the local staff employed by the lessee shall at all times during the said term be a British subject or British subjects and neither the lessee nor the said mines and minerals shall at any time during the said term be or become directly or indirectly controlled or managed by a person or persons who are not a British subject or subjects or a Company in every respect answering the description and satisfying the conditions last hereinbefore mentioned.

19. The lessee being a company or corporation shall report to the Government any alteration in its constitution within 15 days after the

same shall have been made and shall give two months' previous notice in writing to the Government of any intention or proposal to make any such alteration which might conceivably affect its British status or character and no such alteration shall be made unless the Government shall have previously consented thereto in writing PROVIDED ALWAYS that the consent of the Government shall not be refused to any such alteration as aforesaid in the constitution of the lessee unless in its opinion such alterations shall be contrary to the cardinal principle laid down by Government in respect of the said minerals that is to say that the lessee shall be and remain a British Company under British control.

Right of pre-emption.

20. (*a*) The Government shall from time to time and at all times during the said term have the right (to be exercised by notice in writing to the lessee under the hand of any Secretary to Government) of pre-emption of the said minerals (and all products thereof) lying upon the said lands hereby demised or elsewhere under the control of the lessee and the lessee shall with all possible expedition and so as to avoid demurrage on the vessel or vessels engaged to convey the same, deliver all minerals or products of minerals purchased by the Government under the power conferred by this provision in the quantities at the times in the manner and at the place of shipment or storage specified in the notice exercising the said right.

(*b*) Should the right of pre-emption conferred by this present provision be exercised and a vessel chartered to carry the minerals or products thereof procured on behalf of the Government hereunder be detained on demurrage at the port of loading the lessee shall pay the amount due for demurrage according to the terms of the charter party of such vessel unless the Government shall be satisfied that the delay is due to cause beyond the control of the lessee.

(*c*) The price to be paid for all minerals or products of minerals taken in pre-emption by the Government in exercise of the right hereby conferred

Payment for upkeep of roads.

21. The lessee shall keep up and maintain to the satisfaction of Government the roads, if any, passing through the said lands and shall also pay {to Government by way of contribution} a sum of Rupees two hundred and fifty (Rs.250/-) only per annum on or before the fifteenth day of January in every year towards the cost of the repairs and maintenance of the Idgunji-Mallapur road belonging to the Local Board lying outside the said lands so long as the lessee uses the said road for the transport of the said minerals. If the lessee uses other roads for the transport of the said minerals it shall be liable to pay to Government on or before the said date for the repairs and maintenance of the said roads such additional contribution not exceeding Rs.750 per annum as may be fixed by the Collector:

Provided, however, that the lessee shall be liable to pay only such portion of the actual cost spent for the repairs and maintenance of the said road or roads as is attributable in the opinion of the Collector to the transport on the said road by the lessee of the said minerals and the lessee shall be given credit in the next year for the surplus, if any, out of the amount paid in the previous year. The decision of the Collector as to the amount attributable to, and payable by, the lessee shall be final and binding on the lessee.

[Inserted by Government Revenue Department Order No. 9575-9/38 dated 25-11-1942]

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shall be the fair market price for the time being to be determined in default of agreement under the provision hereinafter in clause 13 of Part IX of this schedule contained PROVIDED THAT in order to assist in arriving at the said fair market price the lessee shall if so required furnish to the Government by way of confidential information the particulars of the quantities descriptions and prices of the said minerals or products thereof sold to other customers and of charters entered into for freight for carriage of the same and shall produce to such officer or officers as may be directed by the Government original or authenticated copies of contracts and charter parties entered into for the sale or freightage of such minerals or products.

(*d*) In the event of the existence of a state of war or grave national emergency (of which existence the Government shall be the sole judge and a notification to this effect in the official Gazette shall be conclusive proof) the lessee shall on receiving a notice in writing under the hand of any Secretary to Government requiring it so to do use its utmost endeavours to increase the supply to or for the Government of the minerals or products thereof purchased by it as aforesaid to the extent specified in such notice.

Payment for upkeep of roads.

21. The lessee shall keep up and maintain to the satisfaction of Government the roads, if any, passing through the said lands and shall also pay a sum of Rupees two hundred and fifty (Rs. 250) only per annum on or before the fifteenth day of January in every year for the upkeep and maintenance of the Idgunji-Mallapur road belonging to the Local Board lying outside the said lands so long as the lessee uses the said road for the transport of the said minerals. If the Lessee uses other roads for the transport of the said minerals it shall be liable to pay on or before the said date for the upkeep and maintenance of the said roads such additional sum not exceeding Rs. 750 per annum as may be fixed by the Collector.

Provided, however, that the lessee shall be liable to pay only the actual amount required or spent for the purpose and shall be given credit in the

next year for the surplus, if any, out of the amount paid in the previous year, and the decision of the Government as to the amount actually required or spent shall be final.

Construction of light railway.

22. If the lessee desires at any time to construct a light railway or other form of transport for transporting its ore, the lessee shall do so subject to the following conditions namely :—

(i) For lines within and outside the demised premises.

The lessee shall submit a map (on scale of eight inches to the mile) prepared from a final field survey and showing the exact alignment proposed for the railway. In addition, drawings or necessary details of design shall be required.

(ii) For lines outside the demised premises.

The lessee shall not commence to construct such railway, unless the alignment and design proposed by it have been approved by the Conservator of Forests.

Enlisting services of labourers.

23. The lessee shall not enlist the services of labourers regularly employed by the Forest Department without the previous consent in writing of the Divisional Forest Officer.

Clearing of forest land.

24. No portions of the said lands shall be cleared of forest by the lessee without first obtaining the permission in writing of the Divisional Forest Officer but such permission shall subject to the annual limit of area to be cleared and the number of trees to be felled as fixed in clause 8 of Part II be granted by the Divisional Forest Officer from time to time for an area not exceeding twenty acres at a time on written application of the lessee to the effect that the lessee requires the additional area for the *bona fide* and immediate extension of mining operations under these presents.

25. The lessee shall within 15 days of the completion of every clearing of forest as aforesaid inform the Divisional Forest Officer in writing of the number and species of timber or trees which the lessee may have injured, felled or uprooted in order to enable that officer to have the timber or trees measured and valued and their number checked and the lessee shall give all reasonable help to that officer and his subordinates in locating such timber or trees and in measuring and valuing them.

Lessee to give information regarding the trees etc. cut and to give help in measuring and valuing them.

26. The lessee shall if so required by the Divisional Forest Officer, take over the produce of any such forest clearing as aforesaid at the valuation which shall be fixed by the Divisional Forest Officer whose decision in regard to the number and measurement and valuation shall be final and binding upon the lessee. The said produce may however be disposed of by the Divisional Forest Officer in such other manner as he may deem fit.

Disposal of produce of forest clearing.

27. At the conclusion of mining operations in any portion of the said lands for which permission has been given under clause 24 of this part the lease shall in respect thereof determine and possession of such portion shall thereafter be handed over by the lessee to the Divisional Forest Officer on behalf of the Government and the lessee shall forthwith on demand pay to the Government the difference between the sum, if any, which the lessee may have already paid for the value of the trees cut down or other produce cleared or removed and the capital valuation to be determined by the Divisional Forest Officer. The capital valuation shall be subject to a minimum of rupees one hundred and a maximum of rupees four hundred and fifty per acre and shall be final and binding on the lessee.

Disposal of land in which mining operations are concluded.

28. The lessee shall not interfere with or prevent grazing on the said lands nor shall the lessee interfere with or prevent the removal therefrom of forest produce by the Forest Department, except such forest

Lessee not to interfere with grazing.

produce as may have been taken over by the lessee in accordance with clause 26 of this part.

Not to light fire.

29. The lessee shall not light any fire within the said lands (except under such conditions as the Divisional Forest Officer may in writing specify) and the lessee and its workmen and employees shall render prompt assistance in extinguishing any fire on the said lands or in their vicinity. The lessee shall be liable for all damage resulting from fire caused by the act or omission of the lessee or its employees and shall pay such compensation for the damage caused as may be assessed by the Divisional Forest Officer. The decision of the Divisional Forest Officer as to the amount of compensation payable by the lessee shall be final and binding on the lessee.

Engaging lorries for conveyance of manganese ore.

30. For the transport of manganese ore or for any other purpose, the lessee may ply motor lorries subject to the following conditions :—

(*a*) The wheel base of the lorries shall not exceed 134".

(*b*) The lorries shall have dual rear-wheels.

(*c*) Wheel tyres shall not be less than 36" × 6".

(*d*) The maximum permissible load shall be 3 tons for each lorry.

(*e*) The speed limit shall be 15 miles per hour for laden lorries and 20 miles for unladen lorries.

Stacking of manganese ore in plots assigned for that purpose.

31. The lessee shall stack manganese ore only in plots assigned to it for the purpose by the Divisional Forest Officer and it shall approach these plots only by the routes fixed by the Divisional Forest Officer. Lorries shall be parked only in parking places indicated to it by the Divisional Forest Officer.

Mining operations within 50 yards from the P.W.D. roads passing through the leased area.

32. The lessee shall be permitted to carry on mining operations within 50 yards from the P.W.D. roads passing through the said lands subject to the following conditions :—

(*a*) No obstruction shall be caused to the traffic on the road.

(*b*) If blasting is resorted to, the lessee shall take suitable precautions and shall follow the rules given at pages 22 and 23 of the Marryat's specification Vol. I.

(*c*) No excavation shall be made save with the previous permission in writing of the Executive Engineer, Kanara, and after such excavation has been marked out.

(*d*) All excavations shall be made under the supervision of the Sub-Divisional Officer, P. W. D.

(*e*) Excavation shall be done on the upstream (hill) side, and a clean finished slope of 2: 1 shall be left after each portion is completed.

(*f*) The extra stuff shall be dumped on the down stream (valley) side which shall be neatly levelled up in each a way that its top shall be lower than the road level.

(*g*) A gutter 3 feet wide and 2 feet deep shall be excavated on the hill side, at the place pointed out by the Sub-Divisional Officer, to drain away the water from the hill slope to the nearest nalla or bridge.

(*h*) A sum of Rs. 200 in cash shall be deposited with the Executive Engineer, Kanara, as security for the due fulfilment of the conditions mentioned above.

(*i*) An additional sum of Rs. 10 shall be deposited for each length of 100′ of the hill side against dressing of the slopes which amount shall be refunded to the lessee after the completion of the work and on proper dressing of the slopes and sides of the road.

PART VIII—The Covenants of the Government.

1. The lessee paying the rents and royalties hereby reserved and observing and performing all the covenants and agreements herein contained and on the part of the lessee to be observed and performed

For quiet enjoyment.

shall and may quietly hold and enjoy the rights and premises hereby demised for and during the term hereby granted without any lawful interruption from or by the Government or any person rightfully claiming under it.

2. If the lessee shall be desirous of taking a renewed lease of the premises hereby demised for a further term of ten years from the expiration of the said term hereby granted and of such desire shall prior to the expiration of such last mentioned term give to the Collector six calendar months' previous notice in writing and shall pay the rents and royalties hereby reserved and observe and perform the several covenants and agreements herein contained and on the part of the lessee to be observed and performed up to the expiration of the said term hereby granted the Government will upon the request and at the expense of the lessee and upon his executing and delivering to the Government if required a counterpart thereof execute and deliver to the lessee a renewed lease of the said premises for a further term of ten years at such rents not exceeding twice the rents hereby reserved and at such royalties as may on the day next following the expiration of the said term hereby granted be in force under the orders of the competent authority but otherwise upon the like terms and under and subject to the like covenants and agreements as are contained in these presents other than this present covenant.

PART IX—GENERAL PROVISIONS.

Power of distress.

1. If any rent or royalty hereby reserved shall be in arrear or unpaid for the space of two calendar months next after the day whereon the same ought to be paid then (whether the same shall have been formally demanded or not) and so often as the same shall happen the Government may enter into and upon the said lands and may distrain all or any of the minerals mineral ore moveable engines machinery plant live and dead stock and other moveable property belonging to the lessee which shall be found in or upon the same premises and may sell and dispose of the

27 27

same and apply the proceeds thereof in or towards the satisfaction and payment of the rent or royalty which shall then be in arrear and all costs and expenses occasioned by the non-payment thereof or by such distress.

Power re-entry.

2. If any rent or royalty hereby reserved shall be in arrear or unpaid for the space of six calendar months next after the day whereon the same ought to be paid (whether the same shall have been formally demanded or not) or if the lessee shall fail or neglect to observe or perform any of the covenants and agreements contained in these presents and on the part of the lessee to be observed and performed or if this lease or any interest hereunder is attached or sold in execution of any decree or order of a court or revenue officer or in case it shall appear to the Government that its sanction to any such assignment transfer grant arrangement compact or undertstanding as mentioned in clauses 15 and 16 of the covenants by the lessee hereinbefore in Part VII of these presents contained was improperly obtained or that any improper use of the rights or powers under any such arrangement compact or understanding as aforesaid of any party thereto has been made by or with the connivance of the lessee or if the lessee shall fail (unless exempted by the Government for good cause) during three consecutive years of the said term to get from the said lands so much of the said minerals as at the rates of royalty herein-before mentioned would produce royalties for those years equal in amount to the said certain half-yearly rent payable during that period then and in such case or if an order shall be made for winding up such company, or an effective resolution shall be passed for winding up (except when the company is being wound up for the purpose of reconstruction and the Government has sanctioned under clause 16 of part VII of this schedule the assignment or transfer of the lessee's interest in the lease to the reconstructed company) it shall be lawful for the Government at any time within two years of the date on which such default, failure, neglect, or any other cause for re-entry abovementioned came to the notice of the

Government and although advantage may not have been taken of any previous cause for re-entry, to re-enter into and upon the said premises or any part thereof in the name of the whole and thereupon this present lease and the said term and the liberties powers and privileges hereby granted shall absolutely cease and determine but without prejudice to any right or remedy of the Government in respect of any breach of any of the covenants and agreements contained in these presents or for the recovery of any rent or royalty remaining unpaid.

Penalty for breach of covenant.

3. If the lessee shall at any time during the said term commit a breach of any covenant and agreement contained in these presents and on the part of the lessee to be observed or performed it shall be lawful for the Government as the consideration for the non-exercise of the power of re-entry contained in the last preceding clause hereof to receive from the lessee, such penalty for the breach not exceeding four times the amount of the said certain half-yearly rent as the Government may fix.

Power to lessee to remove property.

4. The lessee (having first paid and discharged the rents and royalties payable by virtue of these presents) may at the expiration or sooner determination of the said term or within six calendar months thereafter (unless the lease shall be determined under clause 2 of this part and in that case at any time not less than three calendar months nor more than six calendar months after such determination) take down take up and remove for the benefit of the lessee all or any engines, machinery plant, buildings, structures, tramways, railways and other works, erections and conveniences which may have been erected set up or placed by the lessee in or upon the said lands and which the lessee is not bound to deliver up to the Government under clause 17 of Part VII of this schedule and the Government shall not desire to purchase under the provisions of clause 5 of this part and also all minerals and mineral ore won by the lessee under the authority of these presents and then remaining in or upon the said lands making reasonable compensation for all damage done to the said lands by such removal.

29 29

Power of Government to purchase property.

5. If at the expiration or sooner determination of the said term the Government shall desire to purchase all or any of the engines machinery plant buildings structures tramways, railways and other works erections and conveniences which may have been erected set up or placed by the lessee in or upon the said lands and which the lessee is not bound to deliver up under clause 17 of Part VII of this schedule and if such desire shall be signified by a notice in writing given to the lessee by the Collector six calendar months before the expiration or sooner determination of the said term or if this lease shall be determined under clause 2 of this part at any time within three calendar months after such determination then and in such case the articles and things specified in such notice shall not be removed by the lessee but shall be purchased by the Government at a price equivalent to the cost of the same at the time of their erection upon the said lands after deducting from such cost a sum equal to eight per cent. thereof for every year which shall have elapsed since that time.

Forfeiture of property left for more than six months after determination of lease.

6. If at the expiration of six calendar months after the expiration or sooner determination of the said term there shall remain in or upon the said lands any engines machinery plant buildings structures tramways, railways and other works erections and conveniences or minerals or mineral ores or other property which the lessee is entitled to remove from the said lands the same shall if not removed by the lessee within one calendar month after notice in writing requiring their removal be given to the lessee by the Collector be deemed to become the property of the Crown for the purposes of the Government of the Province of Bombay and may be sold or disposed of for the benefit of the Province in such manner as the Government shall deem fit without liability to pay any compensation or to account to the lessee in respect thereof.

Power to surrender.

7. The lessee may at any time determine this lease by giving not less than twelve calendar months' notice in writing to the Collector.

and upon the expiration of such notice and provided the lessee shall upon such expiration render and pay all rents royalties compensation for damage and other moneys which may then be due and payable under these presents to the Government or any other person or persons and shall deliver up these presents to the Collector then this present lease and the said term and the liberties powers and privileges hereby granted shall absolutely cease and determine but without prejudice to any right or remedy of the Government in respect of any breach of any of the covenants or agreements contained in these presents.

Destruction of mines or works.

8. If at any time during the continuance of this demise the said mines and works shall become destroyed or rendered substantially and permanently unfit for the purposes of this demise by fire tempest or flood or violence of any army or mob or other irresistible force these presents shall at the option of the lessee be void PROVIDED that if the injury be occasioned by the wrongful act or default of the lessee or the servants of the lessee the lessee shall not be entitled to the benefit of this provision AND PROVIDED ALSO that if this lease shall become void for or by reason of any of the causes aforesaid it shall be without prejudice to the rights and remedies of the Government under or by virtue of these presents for the recovery of any rent or royalty which may then remain unpaid or in respect of any breach which may have been committed of any of the covenants herein contained on the part of the lessee.

Power to take possession in event of war or emergency.

9. In the event of the existence of a state of war or grave national emergency (of which existence the Government shall be the sole Judge and a notification to this effect in the official Gazette shall be conclusive proof), the Government after notice in writing to the lessee under the hand of any Secretary to Government of its intention so to do may forthwith take possession or assume control of the works, plant, machinery and premises of the lessee at or in connection with the said mines and may pre-empt at prices fixed by the Government all minerals (and all products

thereof) extracted from or lying upon the said mines during such possession or control and the lessee shall conform to and obey all directions given by or on behalf of the Government regarding the use or employment of such works, plant, premises and minerals PROVIDED THAT fair compensation which shall be determined in default of agreement by the Government under the provision hereinafter in clause 13 of this part contained shall be paid to the lessee for all loss or damage sustained by it by reason or in consequence of the exercise of the powers conferred by this clause and PROVIDED ALSO that the exercise of such powers shall not determine the said terms hereby granted or affect the terms and provisions of these presents further than may be necessary to give effect to the provisions of this clause.

Lessee's right in respect of other minerals.

10. If any minerals not included in this lease shall during the said term be discovered by the lessee within the said lands and if no mining lease shall then be held by any other person in respect of the same the lessee shall during the twelve calendar months next succeeding the discovery thereof have the option of taking a mining lease in accordance with the rules prescribed by the Governor General of India in Council for the grant of prospecting licenses and mining leases in respect of such minerals over so much of the said lands as the lessee may desire and during such period of twelve calendar months the lessee shall be entitled to win work and carry away any of the minerals so discovered on payment therefor to the Government of such royalty not being less than 20 per cent. of the value of such minerals as the Government may prescribe or in case of precious stones shall have the right during the said period of twelve calendar months to the first offer of such mining lease in respect of such precious stones as the Government may think fit to grant.

Service of notices on lessee.

11. Every notice by these presents required or authorised to be given to the lessee may be given to such person resident on the said lands

as the lessee may appoint for the purpose of receiving such notices or if there shall be no such person then to any person in the employ of the lessee who may be found upon the said lands or if no such person be found then the same may be left at the said office of the lessee upon the said lands or affixed in a conspicuous position upon some building or erection in the occupation of the lessee upon the said lands.

Interpretation of the term "Collector".

12. In these presents the expression "the Collector" shall mean the Revenue Officer in charge of the district within which the said lands are situate.

13. If and whenever any question or dispute shall arise in regard to the construction meaning or effect of these presents or any clause or thing herein contained or in regard to the manner or sufficiency of the observance or performance by the lessee of any covenant or agreement herein contained or in regard to the mode of working of the said minerals or the maintenance or condition of any works in or upon the said lands or in regard to any valuation to be made under these presents or in regard to the amount or payment of any rent royalty compensation or other money payable by the lessee or in regard to any other matter or thing relating to or arising out of these presents such question or dispute shall except as may be otherwise expressly provided in these presents be referred for determination to the Government or such officer as the Government may authorize in this behalf and the decision of the Government or of the officer so authorized as the case may be shall be final and binding on the parties hereto.

PROVIDED ALWAYS that any dispute as regards the price to be paid under clause 20 (c) of Part VII of this schedule shall be determined by two arbitrators, one to be nominated by the Government and the other by the lessee and or in case of disagreement between the arbitrators by an umpire to be appointed by the arbitrators by writing under their hands

before proceeding with arbitration and the decision of such arbitrators or umpire as the case may be shall be final and binding on the parties hereto. Under proviso (a) to Section 26 of the Indian Stamp Act, the Collector has estimated the average annual royalty to be payable by the lessee to be not more than Rs 500/-. This however does not affect the provisions contained above.

SIGNED SEALED and DELIVERED by D. N. Bakhtiyar Esquire Collector of Kanara on behalf of the Governor of Bombay in the presence of—

(1) Mr G. M. Sarang - Chitnis.
(2) " S. J. Habbu, clerk.

sd/- D. N. Bakhtiyar
Collector, Kanara.
25-2-1942.

The seal of the Messrs. Oakley Bowden and Co. (Madras) Limited, Madras, was hereto affixed in the presence of

(1)

(2)

two of the Directors of the Company pursuant to a resolution of the Board of Directors in that behalf dated the

in the presence of—

True Copy.

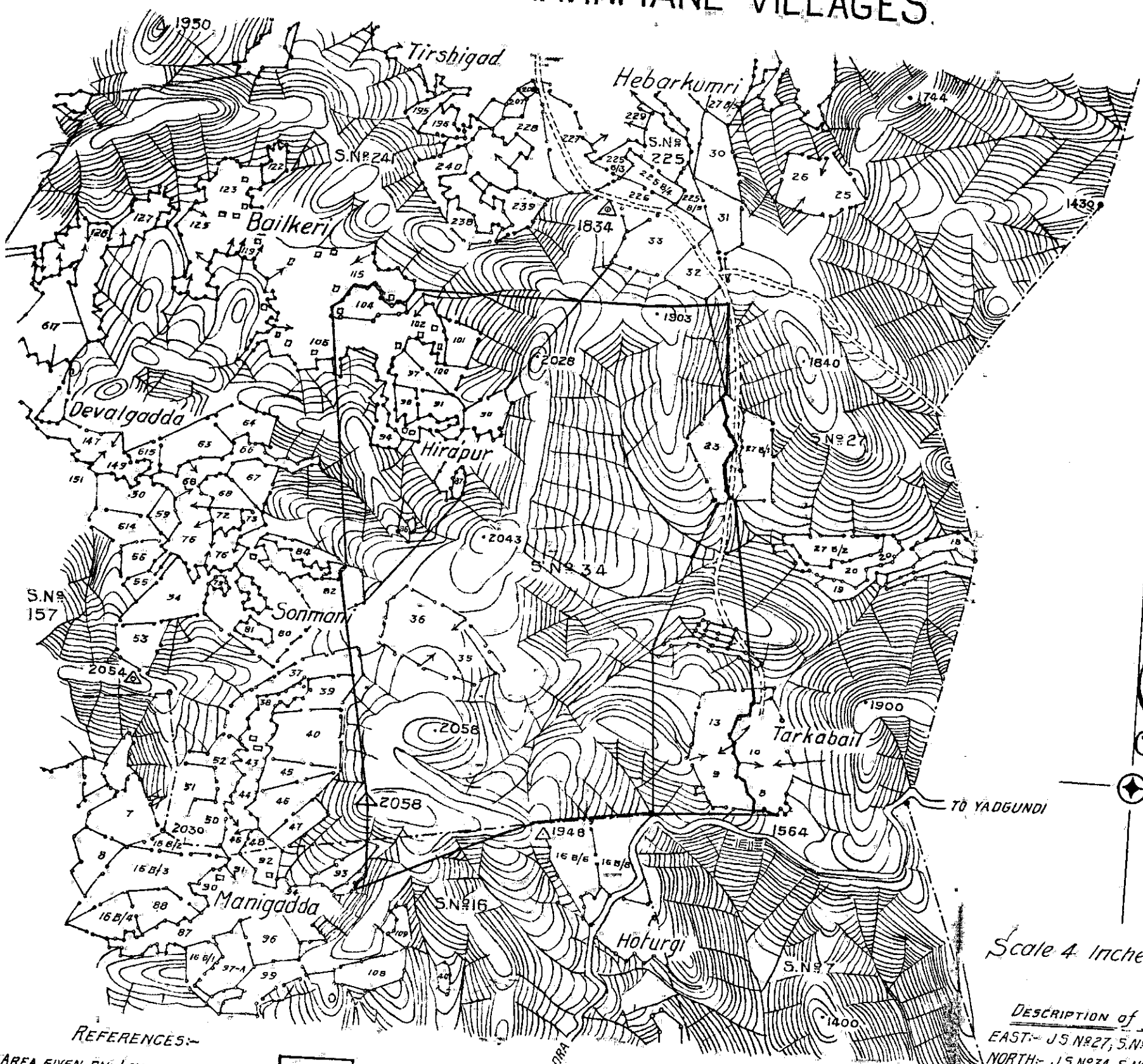
Collector, Kanara

Registered at Karwar on the 18th April 1944, Before the Dist. Registrar.
Deficit Stamps duly of Rs 11-4-0 shown 4/- only
on 18.4-44

MO-I Bk H 595—8

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

SKETCH OF THE AREA GIVEN ON MINING LEASE IN KALCHE & MAVINMANE VILLAGES.



REFERENCES:-

- AREA GIVEN ON LEASE
- FOREST PROPER
- MINOR FOREST
- SOPPIN BETTAS
- VILLAGE BOUNDARY
- OCCUPIED LANDS
- FOOT-PATHS
- ROADS
- VALLAS
- SURVEY No. BOUNDARY

S. No.	Village	Survey Number.	Area	
			Minor Forest	Forest Proper.
1	Kalche	241 (part)	62·8	—
		34 (")	210·0	159·2
		27 (")	47·6	—
2	Mavinmane	104	4·3	—
		16 (part)	9·6	—
		Total	334·3	159·2
		Grand Total	493·5	

DESCRIPTION of BOUNDARIES.

EAST:- J.S.No 27; S.No 27 B1; S.No 27 B3

NORTH:- J.S.No 34; S.No 32; J.S.No 241; S.No 103 & S.No 115

WEST:- S.No 114; S.No 106; J.S.No 241; S.No 84; S.No 82; S.No 85; J.S.No 34; S.No 37; J.S.No 39 S.No 93 (Mavinmane village) & S.No 94 (" ")

SOUTH:- J.S.No 27 of kalche village and J.S.No 16; S.No 16 B6; S.No 16 B8 of Mavinmane village.

M.N. Kalbag
RANGER SURVEYOR,
KANARA

"True Copy"

Divisional Forest Officer,
Kanara W.D

(Sd) W. N. Bakhtiyar
Collector, Kanara

... & CO. (MADRAS) LTD.,
25-2-1942
18-4-46 Director.

Collector, Kanara